

## Message Text

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PAGE 01 LISBON 02218 171522Z

65-60

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 PM-03 SAM-01 SS-15 NSC-05

PA-01 PRS-01 USIA-06 FMC-01 DOTE-00 CG-00 DLOS-03

OFA-01 /096 W

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R 171403Z APR 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 2527

INFO AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

USMISSION GENEVA

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

AMCONSUL OPORTO

AMCONSUL PONTA DELGADA

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E.O. 11652: N/A

TAGS: ELAB, PO

SUBJ: POSSIBLE DIFFICULTIES AT LISNAVE SHIP REPAIR FACILITY

1. MINISTER OF LABOR COSTA MARTINS RECENTLY MENTIONED TO THE AMBASSADOR THAT LISNAVE, A MAJOR SHIP REPAIR FACILITY IN LISBON (PRINCIPALLY LARGE TANKERS), IS UNDERGOING "DIFFI-  
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PAGE 02 LISBON 02218 171522Z

CULTIES" AND EXPRESSED HOPE THAT U.S. MIGHT DO SOMETHING

HELPFUL. HE DID NOT, HOWEVER, SPECIFY THE DIFFICULTIES  
NOR THE NATURE OF HOPED FOR ASSISTANCE.

2. THE DIFFICULTIES COULD WELL BE A GROWING LOSS OF CONFIDENCE OF LISNAVE'S CLIENTELE--VIRTUALLY ALL FOREIGN SHIP-OWNERS--IN THE COMPANY'S ABILITY TO MEET DEADLINES. ACCORDING TO LISNAVE SOURCES, REPEATED WORK STOPPAGES SINCE APRIL 25, 1974, AND A MANAGEMENT DEMORALIZED BY WORKER-ENGINEERED DISMISSALS OF TOP EXECUTIVES UNDERLIE THIS CUSTOMER ATTITUDE.

3. IF TRANSLATED INTO EXTENSIVE CURTAILMENT OF REPAIR ORDERS, LOSS OF FOREIGN CONFIDENCE WOULD CONFRONT THE GOP WITH A MASSIVE LABOR PROBLEM IT IS ILL EQUIPPED TO HANDLE. NOT ONLY ARE THERE AROUND 8,000 WORKERS DIRECTLY EMPLOYED BY LISNAVE BUT THOUSANDS MORE DEPEND AT LEAST PARTLY ON ITS PAYROLLS AND ITS ORDERS FOR GOODS AND SERVICES.

4. LISNAVE WORKERS HAVE BEEN ASKING FOR NATIONALIZATION, A STEP THAT STRIKES A SYMPATHETIC CHORD WITHIN THE NATIONALIZATION-MINDED GOP. THE GOVERNMENT, HOWEVER, MUST WEIGH THE PROBABILITY THAT NATIONALIZATION--EVEN IF LISNAVE'S 40 PERCENT FOREIGN OWNERSHIP IS FULLY PROTECTED--WOULD FOR AN UNDETERMINED PERIOD REINFORCE RATHER THAN ALLAY CUSTOMER DOUBTS, LEAVING THE GOVERNMENT WITH AN ENHANCED RESPONSIBILITY TO LISNAVE WORKERS UNEMPLOYED BECAUSE OF ANY RESULTING DROP IN BUSINESS. IN A PERIOD OF RAPIDLY DECLINING FOREIGN EXCHANGE RESERVES, GOP MUST ALSO TAKE INTO CONSIDERATION ANY LOSS OF FOREIGN EXCHANGE EARNINGS THAT MIGHT ENSUE.  
CARLUCCI

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, NATIONALIZATION, ECONOMIC CONDITIONS  
**Control Number:** n/a  
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**Draft Date:** 17 APR 1975  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
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**Film Number:** D750135-0545  
**From:** LISBON  
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**Line Count:** 91  
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**Office:** ACTION EUR  
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**Previous Classification:** LIMITED OFFICIAL USE  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POSSIBLE DIFFICULTIES AT LISNAVE SHIP REPAIR FACILITY  
**TAGS:** ELAB, EWWT, PO, LISNAVE  
**To:** STATE  
**Type:** TE  
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